

Public Roundtable

What Do You Need To Know?

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Successful Initiatives have...

- 1. Strong and committed leadership**
- 2. A shared vision and inclusive planning process**
- 3. A systematic process for designing the reform**
- 4. Plans to cover higher than expected start up costs**
- 5. Clearly defined public-private roles**
- 6. Fiscal goals aligned with quality expectations**
- 7. A limited number of meaningful outcomes/indicators**

Successful Initiatives (continued)

- 8. Eliminated procedures that stand in the way of flexibility and creativity**
- 9. Effective contract monitoring and oversight**
- 10. A strong infrastructure, new tools & technologies**
- 11. An adequate, qualified, and trained workforce**
- 12. Adequate funding**

“First Things First” For Public Purchasers

Reforms work when purchasers define:

- **The target population**
- **The services included**
- **The size and scope**
- **The funding sources**
- **The goals, outcomes, and quality assurance mechanisms**
- **The public/private roles in managing resources**
- **And, only then explore financing options**

Assessing Tools, Technologies & Innovations

1. Wraparound planning
2. Single Case Managers & Family conferencing
3. Timely Assessments
4. Individualized Case Plans
5. A focus on quality, results, and accountability
6. A full array of services
7. Use of clinical protocols and decision support tools
8. Utilization review integrated with case management
9. Meaningful involvement of community.
10. Improved use of technology
11. Concurrent planning and permanency reviews
12. Caseloads that meet accreditation standards
13. Training and supports for staff
14. Integration of foster care & adoption
15. Increased attention to behavioral health
16. Evidence-based practices

Assessing Private Agency's Readiness

- **Organizational Leadership (including the Board!)**
- **Knowledge of Child & Family Needs**
- **Service V. Program Focus**
- **Easy, Client-Friendly Access**
- **Family Friendly From Start to Finish**
- **A Focus on Outcomes**
- **CQI**
- **Ability to Manage Costs & Risk**
- **Marketing**
- **Ability to Collect and Manage Information**
- **A strategic plan and vision**

Organizational Leadership

- **Familiar with risk-or results-based contracting principles and tools**
- **Familiar with Industry Trends**
- **Agency SWOT Analysis to Assess Readiness (Looks at infrastructures, systems, services, and staff)**
- **A Strategic Vision and Plan: Who are we? Who do we want to be?**
- **Willingness to Take a Proactive Stance**

“We are continually faced with great opportunities...brilliantly disguised as insolvable problems.” Lee Iococca

Lessons Learned by Boards of Lead Agencies

- Must learn about trends and become comfortable with the language of risk.
- Must be able to balance traditional governance, stewardship, and fiduciary roles while leading the agency into an uncertain future.
- Must continue to champion the mission while ensuring that the organization is run like a successful business.
- Be able to weigh the strategic options--alliances, acquisitions, mergers--to ensure that the mission endures even if the organization changes.
- Broaden the board to include persons with knowledge and skills to help guide the agency through turbulent managed care waters.
- Ensure that the organization has access to capital to build competencies and infrastructures needed for success.
- Engage in effective, proactive strategic planning to define the organization's place, chart a course, get out of the way, and measure and reward progress.

What Do You Know About the Children/ Families You Serve?

- **Demographics**
- **Most Common Presenting Problems**
- **Geographic distribution**
- **What services they need?
What services they receive?**
- **Which populations succeed?**
- **Which cost the most to serve?**
- **Relationship between problems/needs and services**
- **Relationship between services and outcomes/costs**
- **Utilization patterns**

Could You Shift Away From A Program Mentality?

Program Focus:

- **Structured, integrated components**
- **Delineated progression**
- **Little variability**
- **“Preferred” length**
- **Staff attached to program**

Service Focus:

- **Menu of services available**
- **Progression tied to client needs/functioning**
- **Highly variable**
- **Length determined by client progress**
- **Staff attached to client**

Easy, Client-Friendly Access

- One-stop shopping concept
- 24 hours/7 days week/365 days a year
- Availability of assessments, clinical expertise
- Admission criteria and protocols to guide admissions, placements, transfers, and discharges
- Immediate access to all services
- No eject/no reject

Family Friendly

- Families as full partners in the planning and delivery of services.
- Cultural shift from “part of the problem” to “part of the solution.”
- All staff embrace the new philosophy
- Expect to be rated on your performance.
- Take care of your clients or someone else will!

Outcome Evaluations and CQI

- Lip service is not enough!
- It is not rocket science (...Yet!)
- Need to track “real time” data and use in CQI
- Expect performance-based contracts
- Know what you are likely to be held accountable for...begin with ASFA goals. Measure a few things well and often and use the information to drive CQI.
- Assess satisfaction on an ongoing basis--children, families, payors, and other stakeholders.

Do You Have the Capacity to Measure Quality?

1. Child and Family Outcomes

- Safety
- Permanency
- Well-Being

2. Customer/Client Satisfaction & Involvement

- % of children and families reporting services were adequate/ helpful
- % of families who kept scheduled appointments /visitation.

3. System Performance

- Distance
- Time
- Stability
- Recidivism
- Accreditation

Marketing

- **It is not a four-letter word!**
- **Much more than sales and public relations**
- **It is about knowing the current and future needs of your current clients...**
- **Knowing the current and future needs of your customers/referral sources**
- **Tracking and paying attention to customer satisfaction**
- **Staying abreast of industry trends**

The Collection and Use of Information

- It is not just about the flashiest technology!
- Data does not equal information...Need to be able to access and use comprehensive “real-time” information.
- Need the capacity to track and report costs, utilization of services and outcomes for individual clients and in the aggregate.
- Increasingly need to be able to interface with public data systems--SACWIS.

What Do You Know About Cost & Revenue?

- What do your current services (units of service) actually cost for the target population?
- How much do you subsidize costs now for all types of services?
- Will the features of the new system increase or decrease your costs?
- Do you know the characteristics of the population that directly impact costs?
- What does it cost to produce the outcomes?
- Relationship between productivity and costs?
- Have you done a cost/revenue analysis? Are you over a “single-source barrel?” Do you know the contribution of different services (product lines) and referral sources (customers) to revenue base?

How Do you Lose \$\$\$?: Types of Risk

- Variation in the rate of entry;
- Variation in the cost of producing units of services;
- Variation in the volume of units used;
- Variation in types of services used;
- Variation in duration (e.g., length of stay and outcomes that are in contracts) .

Important questions to consider...

- Is the level of risk accompanied by control over management decisions and the use of resources?
- Can you project the financial impact of those things for which you have limited or no control--increased caseload, the courts, new mandates?

Ability to Manage Financial Risk

- Know what product lines accounted for the majority of revenue.
- Identify the costs per unit of service within each product line.
- Identify the cost per episode of care.
- Analyze fixed/variable costs and look at ways to improve these numbers.
- Know your payor mix and strive to diversify.
- Understand the importance of productivity--find ways to identify and reward it in staff and service partners!

What Would You Do If...?

Assume:

- Per diem is \$200 for your agency's residential program.
- The ALOS for the program is 12 months.

What if you were offered a contract:

- Covering 100 children similar to the ones you currently serve.
- You can provide whatever treatment or placement services necessary to get specified safety and permanency outcomes.
- The contract is \$6,300,000, divided into 12 monthly payments
- Your responsibility begins when the case is referred and ends when the child attains permanency, plus six months post-permanency. The payment is the same whether the child is in your care or in-home. If the child returns to care within 6 months of permanency you get the case but no more money.

What would you do? What would you need to know to decide? What would you do differently in managing the services? How would your incentives change? Could you sign the contract?

The Strategic Plan and Vision

“Somebody has to do something, and it’s just incredibly pathetic that it has to be

- What business are we in?
- What is our vision, underlying philosophy, and purpose?
- What services are going to be obsolete? How and when will we replace or change them?
- What personnel and skills are needed to meet current and future objectives?
- What will be our funding and cash flow over the next few years?
- What and where are our future markets? Who will buy and use our services?
- What share of the market do we want? How will we get the share we want?
- Who are our major competitors?
- What changes are taking place at the federal and local levels that will affect us?
- What are our greatest strengths, weaknesses, opportunities, and threats?

Creating the Future You Want

- Dare to Imagine your agency in the future—What will change?
- Build financial base to enable quick response to opportunity
- Become an instrument of change
- Don't defend the status quo—do improve what you do.
- Instill a continuous quality focus across agency
- Manage not only services but also your facilities and people
- Begin today to second guess everything you do
- Find new opportunities
- Build the leaders of tomorrow
- Develop performance-based mindset
- Re-tool HR plans-What are the skills you will need?
- Determine how to meet unmet community needs
- Embrace technology
- Re-tool marketing/PR

How Will Your Agency Be Known in 2011?

As an agency that is ...

- Outcome oriented and able to report results?
- Flexible but coherent--things can happen fast and children and families are not allowed to fall through the cracks?
- Able to deliver the right services in the right amounts to get the right results?
- Responsive to community needs and the individual needs of children and their families?
- A place where people want to come to work everyday?
- An advocate for children, families, and the child welfare system?
- An effective and efficient manager of resources?

What are the key decisions you can make in the coming months that will help you reach the future you envision?

Top Ten List From Lead Agencies...

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1. **Think systematically and act collaboratively.**
2. **Know that it always takes longer than anticipated.**
3. **It always costs more than projected.**
4. **Cross-agency training can't be an afterthought**
5. **Be realistic in your approach.**
6. **Don't forget the Judge—the ultimate gatekeeper.**
7. **Balance the “Kumbaya” and “Attila the Hun” leadership styles in network management.**
8. **Prepare for media scrutiny.**
9. **Evaluate, revise, re-evaluate, revise.**
10. **Learn humility.**

Crystal Ball Predictions

- You can't sit by and wait it out--the trend for more accountability is here to stay.
- Performance linked to reimbursement will become standard practice.
- Strategic alliances, mergers, and acquisitions will increase.
- Competition, collaboration, and blurring of lines between child welfare and mental health and between nonprofit and for-profit entities will continue.
- Integrated systems of care will increase.
- We have seen only the tip of the technology iceberg!
- Juvenile justice and other systems are right behind child welfare.
- Public agencies are not abandoning their mandates and nonprofits are not giving up their missions.
- Public and private agencies will have to improve their procurement and contracting skills.
- Cost savings are not driving plans... Yet.
- The best survival strategy is to provide effective, efficient services with demonstrable results!

Resources

- CWLA Survey Report and Finance Issue Paper:
 - McCullough, C., Schmitt, B. (2002) CWLA 2000-2001 Management, Finance, and Contracting Survey Report can be ordered by email at books@cwla.org.
 - McCullough, C. (2003) Financing & Contracting Practices in Child Welfare Initiatives & Medicaid Managed Care. Prepared for the Center for Health Care Strategies, Inc. Available at: <http://www.chcs.org>.
- Children's Rights Organization Privatization Study:
 - Freundlich, M and Gerstenzang, S. (2003) Privatization of Child Welfare Services: Challenges and Successes. Available at books@cwla.org.

Resources

- George Washington University Report:
Mauery DR, Collins J, McCarthy J, McCullough C, and Pires S. (2003). *Contracting for Coordination of Behavioral Health Services in Privatized Child Welfare and Medicaid Managed Care*. Prepared for the Center for Health Care Strategies, Inc. Available at: <http://www.chcs.org>.
- Health Care Reform Tracking Project Reports:
McCarthy J, McCullough, C (2003) *Promising Approaches: A View from the Child Welfare System*. Prepared for the CHCS. Special analyses related to the child welfare available from Georgetown University (202) 687-5000, deaconm@georgetown.edu. All other HCRTTP reports available from the University of South Florida (813) 974-6271.